

The Efficient Use of Spectrum: Developing Secondary Markets

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CTIA – The Wireless Association™

Presentation to

Federal Communications Commission

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Forbearance From Prior Commission Approval for Certain Spectrum Leases

- The FCC should forbear from requiring prior review and approval for certain categories of spectrum leasing arrangements that involve a transfer of *de facto* control to the lessee.
 - Allows wireless carriers to utilize spectrum more efficiently, and continue to bring consumers innovative products at competitive prices.
- CTIA supports the 14 day notification requirement.
 - The Commission should streamline the notification process as much as possible by allowing parties entering into such a lease arrangement to file an electronic notification certifying that they meet the Commission's eligibility and use restrictions.

Forbearance From Prior Commission Approval for Certain Categories of Transfers and Assignments

- The Commission should also forbear from requiring prior approval of certain transfers and assignments that do not raise public interest issues.
 - Forbearance with regard to certain transfers and assignments would avoid market distortions favoring spectrum leases and promote efficient secondary markets.
 - The Commission should provide as much flexibility as possible to ensure that transfers and assignments become an effective segment of any secondary market.
- FCC should harmonize any notification procedure utilized in conjunction with spectrum transfers and assignments to ensure it closely comports with the notification procedure utilized for spectrum leases.

Extension of Spectrum Leasing Policies

- The Commission should extend its spectrum leasing policies to additional spectrum-based services with certain safeguards.
- If the leasing policies are extended to allow Public Safety and other public sector licensees to lease spectrum to commercial entities, the FCC should take care to ensure that its policies do not encourage “warehousing” or inefficient use of spectrum.
 - Public sector entities do not face private sector market forces.
 - There is little incentive for the public sector to disaggregate or transfer spectrum to parties that will use that spectrum more efficiently.
 - The program may actually encourage Public Safety users to retain spectrum they do not need in the hopes of leasing it in some point in the future.

Alternatives to Merely Extending the Leasing Rules to Public Safety

- Relocating Public Safety uses to other spectrum, auctioning the spectrum made available, and then placing the proceeds in a “Public Safety Fund” to pay for relocation *and* improving Public Safety interoperability and other operational capabilities.
- Money could be used for upgraded equipment and capabilities, and would also increase the efficient use of all spectrum in Public Safety bands.

Access to Spectrum for New Technologies Through the Use of Secondary Markets

- Access to licensed spectrum by third parties utilizing new technologies is best implemented through a secondary markets approach, rather than through an unlicensed underlays approach.
- Unlicensed underlays raise the potential for interference and creates disincentives for innovation and new service offerings.
- Licensees should control the secondary market rights to their spectrum in order to ensure that opportunistic devices and other new technologies or uses do not cause interference.

Development of Information-Sharing Mechanisms Should Be Left to the Private Sector

- The private sector is better suited both to determine what types of information parties might demand, and to develop and maintain information on the licensed spectrum that might be available to third parties.
- The Commission should let the market develop its own information mechanisms at this time.